

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

ILLINOIS COMMERCE COMMISSION  
2006 FEB 28 P 1:06

COMMONWEALTH EDISON COMPANY )

CHIEF CLERK'S OFFICE

Proposed general increase in electric rates, general )  
restructuring of rates, price unbundling of bundled )  
service rates, and revision of other terms and )  
conditions of service )

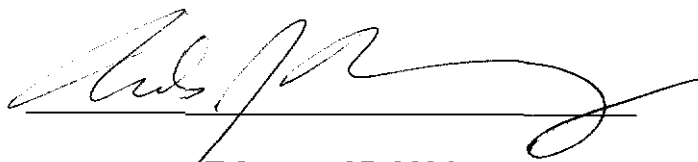
No. 05-0597

**Rebuttal Testimony of**

**NICHOLAS J. MENNINGA**

**Assistant General Manager  
Downers Grove Sanitary District**

**Chairman  
Illinois Association of Wastewater Agencies  
Energy Subcommittee**

  
February 27, 2006

1 Q. Please state your name and business address.

2 A. Nicholas J. Menninga. My business address is 2710 Curtiss Street, Downers  
3 Grove, Illinois, 60515.

4 Q. Are you the same Nicholas J. Menninga who provided direct testimony on behalf  
5 of the Illinois Association of Wastewater Agencies (IAWA) in this docket?

6 A. Yes I am.

7 Q. What is the purpose of your rebuttal testimony?

8 A. I intend to clarify issues presented in my direct testimony that may be  
9 misunderstood in light of the rebuttal testimony of Crumrine (ComEd Exhibit  
10 23.0) and Alongi and McInerney (ComEd Exhibit 24.0).

11 Q. Will the proposed changes in the distribution tariff have an impact on the  
12 wastewater utilities in Commonwealth Edison's (ComEd's) Service Area?

13 A. The proposed changes will in fact be sudden and dramatic on our membership.  
14 We are put into an initial position of uncertainty associated with the supply  
15 auction process, coupled with a known sharp increase in distribution costs. This  
16 creates a difficult environment for administering public agencies and private  
17 utilities, where the budget and procurement processes are strained by a sudden  
18 and dramatic increase in such a large portion of our operation. If the Illinois  
19 Commerce Commission decides to approve the distribution rate increase, any  
20 such increase should be phased-in over a period of three years to reduce the rate  
21 shock.

22 Q. Will the proposed changes in distribution tariff impact the customers of  
23 wastewater utilities in ComEd's service area?

24 A. Wastewater customer charges and taxes will be impacted, directly due to the  
25 increase to our cost to provide service, and indirectly due to construction activities  
26 resulting from a meaningful change in the cost of electricity, and the way that cost  
27 is assigned to usage patterns.

28 Q. Is the distribution rate increase to wastewater utilities consistent with the overall  
29 rate increase being pursued by ComEd?

30 A. The increase, when compared with existing tariffs that are properly designed and  
31 defended under Commonwealth Edison's (ComEd's) Embedded Cost of Service  
32 Study (ECOSS), are disproportionately higher for our membership than for other  
33 electric customers as a whole.

34 Q. Do you have specific responses to the rebuttal testimony of Alongi and  
35 McInerney (ComEd Exhibit 24.0)?

36 A. Yes. Our membership purchases electricity under a number of different existing  
37 tariffs, including Rate 24, Rate 6, Rate 6L, Rate RCDS, and associated Riders. It  
38 is not our intent to represent all customers under any of these rates. Our intent is  
39 to demonstrate the sudden increase in distribution fees to our membership, and to  
40 identify specific proposed changes that appear to contribute to the impact on  
41 distribution fees.

42 Q. Are wastewater agencies impacted by losing the ability to aggregate pumping  
43 facilities within a corporate boundary?

44 A. By losing the ability to aggregate pumping facilities within a corporate boundary,  
45 any of our members currently thus aggregating their facilities will be charged a  
46 separate customer charge for each pumping location under the proposed tariffs.

47 This is a departure from the existing tariff structures, and incurs an additional  
48 direct and indirect cost to our members. The direct cost is the proposed customer  
49 charge. The indirect cost is our additional accounting labor needed to process  
50 separate accounts under the proposed tariff.

51 Q. Can you address the confusion created in the rebuttal testimony of Alongi and  
52 McInerney (ComEd Exhibit 24.0) regarding your proposal regarding continued  
53 application of the measurement of peak demand under existing Rate 6L?

54 A. Our testimony regarding application of the Maximum Kilowatt Demand (MKD)  
55 as proposed in lieu of the current practice of using the average of 3 peak 30-  
56 minute demand periods per month is directed at changes that will affect our  
57 members currently taking service under Rate 6L. Our testimony is intended to  
58 highlight not only the financial impact on these users, but the potential impact on  
59 the operation of ComEd's distribution and those transmission facilities which  
60 ComEd will continue to operate. Further discussion is included below in our  
61 response to the rebuttal testimony of Crumrine (ComEd Exhibit 23.0).

62 Q. Can you address the confusion created in the rebuttal testimony of Alongi and  
63 McInerney (ComEd Exhibit 24.0) regarding your calculation of the impacts of  
64 elimination of the Pumping Class of Customer on wastewater agencies in  
65 ComEd's service area?

66 A. Some of our members take service under existing Rate 24, primarily in instances  
67 where the load factor is roughly 50% or lower. We did not intend to comment on  
68 behalf of others taking service under this tariff with significantly higher load  
69 factors such as those shown in the data table (Pumping 2000.pdf) provided in the

rebuttal testimony of Alongi and McInerney. Using the existing Rate RCDS distribution rates suggested in the rebuttal testimony of Alongi and McInerney (ComEd Exhibit 24.0, line 1228), the increases shown in Table 1 of my original testimony are amended and shown here, to reiterate the point that the percent increase over the existing interim distribution charge is higher than the overall ComEd increase:

Table 1

Monthly use*	Maximum demand*	Interim Distribution Charge, Rate RCDS	Proposed Distribution Charge, Rate RDS	Percent Increase
90,000 kwh	250 KW	\$1,031.40	\$1,337.50	30%
180,000 kwh	500 KW	\$2,062.80	\$2,835.00	37%
1,800,000 kwh	5000 KW	\$20,628.00	\$27,250.00	32%
Average Overall ComEd Increase				20.6%

\* Ratio of use to demand is typical of *wastewater* [italics added for emphasis] utility pumping operation

Q. Do you have a specific response to the rebuttal testimony of Crumrine regarding application of the MKD (ComEd Exhibit 23.0, lines 170-279)?

A. Application of the MKD as proposed will alter the operation of significant demand facilities of our membership. ComEd appears to be satisfied that market forces on the supply side will temper the use of electricity by our members during peak periods. We do not want to contribute to transmission and distribution reliability problems, and primarily have ComEd's pricing signals as a barometer of our impact. While we understand the cost of service aspects of Mr. Crumrine's rebuttal, we are not certain that operational reliability issues specific to ComEd's facilities have been considered in the formulation of the tariffs.

87 Q. Do you have a specific response to the rebuttal testimony of Crumrine  
88 regarding application of the Rate CLR7 (ComEd Exhibit 23.0, lines 1591-1640)?

89 A. We appreciate ComEd's response to our information request that Rate CLR7 be  
90 more clearly defined in the proposed tariffs to match ComEd's intent. We remain  
91 concerned that exclusive use of PJM 'market-based' load reduction and  
92 curtailment pricing will materially alter the economics of equipment investments,  
93 both existing and future. The nature of the 'market-based' pricing strategy creates  
94 a significant speculative component of planning for future improvements.

95 Q. Does this conclude your rebuttal testimony?

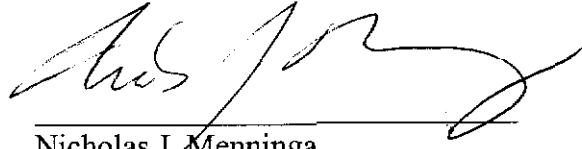
96 A. Yes.

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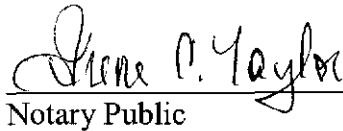
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VERIFICATION

Nicholas J. Menninga, being first duly sworn, on oath deposes and states that he has read the above and foregoing Rebuttal Testimony of Nicholas J. Menninga on the behalf of the Illinois Association of Wastewater Agencies, ICC Docket No. 05-0597; that he knows its contents; and that the same is true to the best of his knowledge, information, and belief.

  
\_\_\_\_\_  
Nicholas J. Menninga

Subscribed and sworn to before me  
this 27th day of February, 2006

  
\_\_\_\_\_  
Notary Public



Nicholas J. Menninga  
Downers Grove Sanitary District  
2710 Curtiss Street  
Downers Grove, Illinois 60515  
Ph: 630 969 0664  
Fax: 630 969 0827  
[nmenninga@dgsd.org](mailto:nmenninga@dgsd.org)



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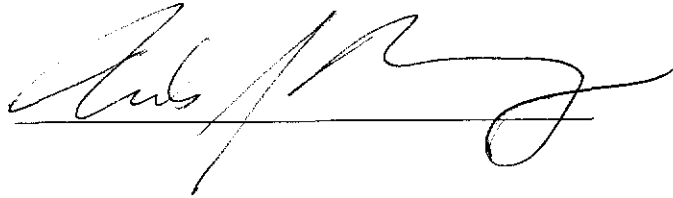
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COUNTY OF DUPAGE

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CERTIFICATE OF SERVICE

I, Nicholas J. Menninga, hereby certify that I have served the Rebuttal Testimony of the Illinois Association of Wastewater Agencies in the above-captioned docket upon all active parties of record by electronic mail today, February 27, 2006.

A handwritten signature in black ink, appearing to read "Nicholas J. Menninga", is written over a horizontal line.